

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3356

February 11, 2010

SUMMARY OF BILL: Authorizes additional supplemental bridge grants of \$750 for each the fall and spring semesters of the 2010-2011 academic year for HOPE Scholarship students attending eligible four-year institutions; HOPE Scholarship students attending eligible two-year institutions shall be awarded supplemental bridge grants of \$350 for each the spring and fall semesters of the 2010-2011 academic year; students attending eligible postsecondary institutions who receive the Tennessee HOPE Access Grant shall be awarded supplemental bridge grants at 50 percent of the amount awarded for being a HOPE Scholarship recipient. Requires all unexpended funds in the Energy Efficient Schools Council Fund (EESCF) as of the effective date of this bill to be transferred to the Lottery for Education Account (LFEA) for the purpose of funding the supplemental bridge grant program.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – A shift of use for an unknown amount of funds estimated to be between \$55,986,300 and \$91,400,000 from purposes consistent with the Energy Efficient Schools Initiative to the specified purpose of providing one-time supplemental bridge grants during FY10-11.

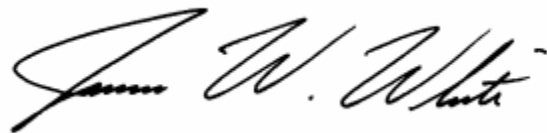
Assumptions:

- According to the Tennessee Student Assistance Corporation (TSAC), there are 10,383 students currently attending eligible two-year institutions and 54,399 students currently attending eligible four-year institutions who receive the HOPE Scholarship, the General Assembly Merit Scholarship, and the need-based ASPIRE award.
- TSAC projects three percent growth for FY10-11.
- The number of HOPE students projected to attend eligible two-year institutions for FY10-11 is 10,694 ($10,383 \times 103.0\% = 10,694$); the number of HOPE students projected to attend eligible four-year institutions for FY10-11 is estimated to be 56,031 ($54,399 \times 103.0\% = 56,031$).
- The increase of expenditures derived from HOPE students attending eligible two-year institutions in FY10-11 is estimated to be \$7,485,800 ($10,694 \times \$700 = \$7,485,800$).
- The increase of expenditures derived from HOPE students attending eligible four-year institutions in FY10-11 is estimated to be \$84,046,500 ($56,031 \times \$1,500 = \$84,046,500$).
- According to TSAC, there are 100 students currently attending eligible two-year institutions and 277 students currently attending eligible four-year institutions who receive the HOPE Access Grant.

- The increase of expenditures derived from HOPE Access Grant students attending eligible two-year institutions in FY10-11 is estimated to be \$35,000 ($100 \times \$350 = \$35,000$).
- The increase of expenditures derived from HOPE Access Grant students attending eligible four-year institutions in FY10-11 is estimated to be \$207,800 ($277 \times \$750 = \$207,750$).
- The total one-time increase of expenditures from the Lottery for Education Account is estimated to be \$91,775,100 ($\$7,485,800 + \$84,046,500 + \$35,000 + \$207,800 = \$91,775,100$).
- According to the Department of the Treasury, the estimated balance of the EESCF as of June 30, 2009 is \$91,400,000. These funds could be reduced by June 30, 2010 depending on whether any expenditures are made from the fund during FY09-10. The Governor's Recommended Budget for FY10-11 estimates expenditures for FY09-10 to be \$35,413,700 (B-93).
- Pursuant to Section 4(b) of the bill, funding for supplemental bridge grants are limited to the amount transferred from the EESCF to the LFEA. Therefore, supplemental bridge grant funding is estimated as an unknown amount between \$55,986,300 up to a maximum of \$91,400,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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